Government Confiscation of Bullion
The U.S. Historical Precedent
By Jonathan Carriel

Although I've long been aware of the US gold confiscation of 1933, I did a little memory-refreshment:

NOTES from Wikipedia articles on "Executive Order 6102" and "Gold Reserve Act"

- The executive order (April 5, 1933, one *month* after F. D. Roosevelt took office) was "justified" on the basis of the Trading with the Enemy Act of 1917, as amended by the Emergency Banking Act (passed March 9, 1933 – 5 *days* after the inauguration).
- The executive order forbade "the hoarding [*also known* as the savings or investment –*JTC*] of gold coin, gold bullion, and gold certificates within the continental United States."
- According to Wikipedia, the executive order "required all persons to deliver on or before May 1, 1933, all but a small amount (relative to a middle-class family's total savings) [$100 – then five Troy ounces, today (August 2023) roughly $10,000] of gold coin, gold bullion, and gold certificates owned by them to the Federal Reserve in exchange for $20.67 [in paper] per troy ounce."
- Failure to comply was *punishable* by staggering fines or ten years' imprisonment.
- Obviously, no transactions in gold could subsequently be made in normal public business.
- Probably most of the "gold" involved was actually in US "Gold Certificates" and gold bonds, paper money (printed in excess of the bullion it supposedly represented?) which obviously had to be exchanged for new Federal Reserve paper. The order also made private contracts specifying gold payments inoperable; all remittances had to be made in nominally equivalent fiat paper.
- Private safety deposit boxes in banks were *not* searched, but the gold in them would have had to have been surreptitiously moved to another country, and exchanged there if the owner hoped to preserve most of its actual value.
- Court cases (and confiscations and punishments) were uncommon. They primarily involved very wealthy people. Their probable effect was to scare Main Street Moms & Pops into "voluntary" compliance.

- Wikipedia has a very brief summary of similar actions in Poland, Australia, and the UK. Poland confiscated its citizens' gold in 1920. It appears that gold was never confiscated by Australia or the UK; my guess is that gold holdings were simply rendered moot for normal purposes by inflated paper money that was required for use by legal tender laws. "Bad money drives out good." I stand ready for correction on this surmise.

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For what it's worth, gold "bugs" whom I've been reading consider future government confiscation a low risk. (It could be argued, of course, that they *would*.) What actions might Bedrock consider in advance for that possibility?

- At the first hint that confiscation might be considered in any jurisdiction, clients there who possessed an amount of Nuggets greater than the smallest standard bullion items could rush to withdraw them (reversing the procedure in which they were deposited, and just as anonymously). This would sharply reduce the amount of bullion remaining, hopefully diminishing politicians' lust to confiscate it (or to face the resulting outrage).
    - Bedrock would have an incentive to *alert* clients should such a possibility loom; it could also arrange a emergency deposit/withdrawal event.
    - (As argued in the *Proposal*): Even if, say, clients removed 90% of the bullion from a specific Bedrock vault, it would not affect the international market price of *gold*; only the premium anticipated for Nuggets over bullion might be affected.
    - Given the historical lesson of 1933, in which US private gold was surrendered for Federal Reserve Notes which were promptly devalued 41%, governments would anticipate greater public resistance than before.
    - Among other things, the bureaucrats would have to swallow the fact that they've spent decades denying that gold is anything but a "barbarous relic" or a *Pet Rock*, but we can't put contradictions above them. I suppose outright thievery of a Bedrock vault could be smoothed over by some official decree that "we say an ounce of gold is worth 1800 paper USD, so that's what we'll give you to distribute to your clients."
    - In the last analysis, each person will have to make an estimation of risk, and no one's personal decision in the matter can be gainsaid.
- Bedrock might well be guided in its choices of physical vaults by an *insurer*, who would charge variant premiums for various risk situations, *including "political risk*."